

1 of 1 DOCUMENT

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The Case Of the Vanishing Chicken

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The Spring Phoenix cargo ship sailed into the St. Petersburg harbor last summer carrying 6,000 tons of frozen chicken legs. Shortly after the ship docked, investigators said the shipment by Trans Commodities Food AG, a Swiss trading company, looked suspiciously like contraband and seized the chicken.

Trans Commodities Food fought to get the chicken released, and after a few weeks the smuggling investigation was abruptly dropped.

But by then more than half the chicken had vanished into thin air.

The case of the disappearing chicken, which has led to two officials being charged and an ongoing investigation, appears to be part of a years-long racket in St. Petersburg harbors that some say continues to this day. Sources familiar with the scam say it has involved criminal groups, local investigators and a line of government officials that stretches to the Kremlin.

"Very important people are involved in this business including some from Moscow," said a source close to the investigation of the missing chicken. "What you will be able to find out is only the tip of the iceberg. You will never know how much is under the water and how significant is the part that you don't know about." Charged in the chicken investigation are Alexander Travin, the head of the Justice Ministry's northwestern offices, and Anatoly Baranov, a senior investigator for the regional transport prosecutor's office and the man who ordered the chicken impounded. Both are accused

of abuse of office.

Travin worked as deputy head of the northwest transport prosecutor's office when Spring Phoenix arrived with the chicken on July 7.

Baranov, taking advantage of the then-vaguely worded Customs Code, insisted that Trans Commodities Food had improperly declared the shipment as chicken legs instead of poultry parts, halves and quarters, according to the regional prosecutor's office, which is investigating. Legs had a tariff of 0.2 euros a kilogram and parts 0.3 euros.

A smuggling investigation was opened. When Baranov closed the probe a few weeks later, Trans Commodities Food found that 3,500 tons of the 6,000 tons was missing. Prosecutors said Travin had ordered the chicken sold off as rotten by a firm called Yevroplast.

"Having ordered this, no founding documents or a receipt on the cargo from this firm (Yevroplast) were made, and when the receiver of the cargo, the (Moscow-based) firm Miraton, repeatedly asked for the cargo to be passed over for storage, they were refused without explanation," prosecutor's office investigator Larisa Kirsanova said in a statement last fall.

Yevroplast disappeared after the sales were made. Proceeds were deposited in the privately owned Kartelbank for disbursement among the organizers of the confiscation. It is unclear how much if any of the proceeds reached the government's coffers.

Trans Commodities Food head and founder Sam Kislin said he lost \$ 3.5 million. "These people organized a team of bandits and stole and sold my cargo," he said by telephone from New York.

Kislin, an emigre from Odessa, has been linked in the press to the Russian metals mafia, an allegation he denies.

Kislin said the confiscated chicken was not rotten, saying it had only been classified as such to allow the authorities to sell it off for some 2 rubles a kilogram. He said that with market prices at 35

The Case Of the Vanishing Chicken The Moscow Times April 11, 2001

rubles a kilogram at that time, the confiscators could have earned a handsome profit by pocketing the difference.

Regional Prosecutor Vladimir Goltsmer refused to comment on the investigation, saying only it was ongoing and the two men had been charged.

Baranov was charged last fall and jailed in January. A court released him on his own recognizance in March.

Baranov's former boss, Travin, is being allowed to stay at home on the condition he not leave St. Petersburg.

Travin is also being investigated for his alleged participation in similar confiscation schemes over the past three years, according to media reports. Cases include the impounding of chicken from the Ozag ship in August 1998 and aluminum from the Fiertal last June. Investigators refused to confirm the reports.

The investigation into Baranov and Travin is raising the hopes of other businessmen who say they also fell victim to the St. Petersburg racket and wish to see justice done. Rafic Hanbali, chairman of Swiss company Netfoods Trading, said he lost \$ 3 million in 1997 when frozen chicken shipped on the Wizida Winter to the port of Lomonosov near St. Petersburg was confiscated and sold.

Baranov said in an interview in 1998 that he had ordered the Wizida Winter shipment impounded because it was being transported "in an unknown direction by unknown people." He said he had to sell it because it was spoiling.

That confiscation hasn't been probed.

"I hope my case will be revived now that Baranov is charged," Hanbali said by telephone from Brasilia, Brazil, where he was on a business trip.

How soon the Trans Commodities Food probe will be finished is unclear.

But in the meantime, a number of witnesses have disappeared and new witnesses "are not lining up at our door to sincerely tell us everything," said the source close to the investigation.

Tracing the racket's ringleaders is a next-to-impossible task. Igor Koptev, head of Kartelbank, which held the confiscation revenues, has pointed the finger at St. Petersburg

businessman Alexander Gyurdzhan in a statement he gave investigators in March.

Koptev said in the statement, a copy of which was obtained by The Moscow Times, that a Travin employee told his bank "to talk to Gyurdzhan concerning the matter of moving the confiscated chicken from Spring Phoenix to the warehouse." Gyurdzhan was unavailable for comment and said to be out of town.

Kislin at Trans Commodities Food said he fears the investigation into his missing chicken could be closed. He said associates in St. Petersburg are saying that the investigators are being pressured to throw in the towel by two prominent figures - St. Petersburg tycoon Alexander Sabadash and Kremlin aide Nazir Khapsirokov.

Sabadash controls a sprawling business empire in St. Petersburg that includes vodka distilleries and aluminum, alumina and pulp factories.

He was unavailable for comment.

Khapsirokov, who was appointed assistant to Kremlin Chief of Staff Alexander Voloshin in February, denied that he had any knowledge of the confiscation racket in St. Petersburg.

He said he hasn't kept in contact with the Prosecutor General's Office, where he previously served as head of the property department, and no longer knows what they are doing. "How could I be doing the things you are talking about since I don't know anybody in the northwest prosecutor's office?" he said.

But Kislin insisted that Khapsirokov played a part in the racket. "I met with him in February in Moscow, and he admitted that he had his finger in the deal," Kislin said. "He told me he is sorry and promised to help in some other cases." Former Prosecutor General Yury Skuratov, who at one time was Khapsirokov's boss, said that Khapsirokov has the political pull to close the Trans Commodities Food case if he wanted to.

"He could bring it (an investigation) to an end if he set out to do so," he said.

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The Case Of the Vanishing Chicken The Moscow Times April 11, 2001

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